

**FY 2003-04**

**SAFETY AND DEFENSE**

**Executive Recommendation**

**Military and Veterans Affairs**

**State Police**



**Summary: Executive Budget Recommendation**  
**MILITARY AND VETERANS AFFAIRS**  
**FY 2003-04 Senate Bill 266**

**Analyst: Kyle I. Jen**

**FY 2003-04 Appropriation Recommendations**

	FY 2002-03 YTD (as of 3/6/03)	FY 2003-04 Executive	Difference: Exec to FY 2002-03 YTD	
			Amount	%
IDG/IDT	\$200,000	\$200,000	\$0	0.0
Federal	40,623,800	40,627,900	4,100	0.0
Local	0	0	0	0.0
Private	530,000	1,870,700	1,340,700	253.0
Restricted	23,646,700	23,800,100	153,400	0.6
GF/GP	38,328,308	36,598,800	(1,729,508)	(4.5)
<b>Gross</b>	<b>\$103,328,808</b>	<b>\$103,097,500</b>	<b>(\$231,308)</b>	<b>(0.2)</b>
FTEs	1,079.0	1,079.0	0.0	0.0

**Overview**

The Department of Military and Veterans Affairs is charged with the training and administration of Army and Air National Guard forces, providing combat-ready military forces during times of national emergency, and performing civil relief operations under the command of the governor during state emergencies. The Department's budget includes administrative and maintenance costs associated with these responsibilities, as well as several National Guard-related programs, such as the Challenge Program and the National Guard Education Assistance Program. The Department has oversight over the following veterans-related programs: state-licensed nursing care at veterans homes in Grand Rapids and Marquette, grant funding to veterans service organizations, and the Michigan Veterans Trust Fund. Spending for veterans programs makes up roughly 62 percent of the Department's FY 2002-03 budget.

**Summary of Major Budget Issues**

**Challenge Program**

The Executive Recommendation eliminates \$1.3 million GF/GP in state matching funds for the Challenge Program, a voluntary boot camp-style program for high school dropouts funded by the federal National Guard Bureau on a 60/40, federal/state basis. The GF/GP funds are replaced with authorization for private grant funds. If sufficient private funds are not identified, the program would be discontinued.

**Veterans Homes**

The Executive Recommendation reduces the GF/GP appropriations for the veterans homes in Grand Rapids and Marquette by a total of \$176,700, largely to reflect additional savings from the 2002 early retirement package. Authorization for federal funding from the U.S. Department of Veterans Affairs at the two homes is increased by a total of \$142,300, and authorization for restricted income and assessment revenue is increased by a total of \$134,500.

**Civil Air Patrol**

The Executive Recommendation eliminates an \$86,000 GF/GP grant to the Michigan wing of the Civil Air Patrol, which serves as the official auxiliary of the U.S. Air Force. These funds were appropriated in a FY 2002-03 supplemental budget bill.

**Veterans Service Organization (VSO) Grants**

The Executive Recommendation consolidates the 11 existing VSO grants, which total \$3.9 million GF/GP, into a single line item.

<b>Major Budget Changes from FY 2002-03 YTD Appropriations:</b>		<b>YTD FY 2002-03</b>	<b>Executive Change</b>
<b>1. Challenge Program</b>		<b>Gross</b>	<b>\$0</b>
Eliminates GF/GP state matching funds for the Challenge Program, a voluntary boot camp-style program for high school dropouts funded by the federal National Guard Bureau on a 60/40, federal/state basis. The GF/GP funds are replaced with authorization for private grant funds. If sufficient private funds are not identified, the program would be discontinued.		IDG	0
		Federal	0
		Private	1,340,700
		GF/GP	(\$1,340,700)
<b>2. Civil Air Patrol</b>		<b>Gross</b>	<b>(\$86,000)</b>
Eliminates a grant to the Michigan wing of the Civil Air Patrol, which serves as the official auxiliary of the U.S. Air Force. These funds were appropriated in a FY 2002-03 supplemental budget bill.		GF/GP	(\$86,000)
<b>3. Veterans Service Organization (VSO) Grants</b>		<b>Gross</b>	<b>\$0</b>
Consolidates the 11 existing VSO grants into a single line item. There is no change from the current year in the total funding amount for the grants.		GF/GP	\$0
<b>4. Early Retirement Adjustments</b>		<b>Gross</b>	<b>(\$259,800)</b>
Reflects two types of adjustments related to the 2002 early retirement package: (1) removal of funds for one-time leave payouts and (2) annualization of savings for October 2002 retirees.		GF/GP	(\$259,800)
<b>5. Information Technology Reduction</b>		<b>Gross</b>	<b>(\$69,808)</b>
Applies reduction to funds appropriated as IDG to Department of Information Technology. Additional adjustments to this line item (not reflected at right) for information technology-related costs at veterans homes.		Federal	0
		Restricted	0
		GF/GP	(\$69,808)
<b>6. Economic Adjustments</b>		<b>Gross</b>	<b>\$101,800</b>
Includes economic adjustments for food and utility costs at veterans homes (positive \$113,800) and worker's compensation (negative \$12,000).		Federal	37,300
		Restricted	37,700
		GF/GP	\$26,800
<b>7. Grand Rapids Veterans Home - Medicaid Revenue</b>		<b>Gross</b>	<b>(\$150,000)</b>
Decreases appropriation of Medicaid revenue for Grand Rapids Veterans Home to reflect projected collections. Additional adjustment to this line item/funding source (not reflected at right) related to item 6.		Federal	(150,000)
<b>8. Grand Rapids Veterans Home - VA Payments</b>		<b>Gross</b>	<b>\$118,000</b>
Increases appropriation of revenue from U.S. Department of Veterans Affairs (VA) per diem payments for Grand Rapids Veterans Home to reflect projected collections and available carry forward revenue. Additional adjustments to this line item/funding source (not reflected at right) related to items 5 and 6.		Federal	118,000
<b>9. D.J. Jacobetti Veterans Home - Income and Assessment Revenue</b>		<b>Gross</b>	<b>\$115,700</b>
Increases appropriation of revenue from income and assessment payments for D.J. Jacobetti Veterans Home to reflect projected collections and available carry forward revenue. Additional adjustments to this line item/funding source (not reflected at right) related to items 5 and 6.		Restricted	115,700

**Major Boilerplate Changes from FY 2002-03:**

***Sec. 207. Privatization Plan - DELETED***

Requires submission of project plan to Legislature 60 days before beginning any effort to privatize.

***Sec. 209. American Goods and Services - DELETED***

Prohibits purchase of foreign goods and services if comparably priced American goods and services are available.

***Sec. 210. Deprived and Depressed Communities - DELETED***

Requires that reasonable steps be taken to ensure businesses in deprived and depressed communities compete for and perform state contracts.

***Sec. 210. Appropriation of Unexpended GF/GP - NEW***

In order to promote administrative efficiencies, appropriates up to one-half of the unexpended, unreserved portions of FY 2002-03 GF/GP appropriations, subject to the approval of the budget director.

***Sec. 211. Retention of Reports - DELETED***

Requires Department to create and retain reports for funds appropriated.

***Sec. 213. Armory Closures - DELETED***

Requires Department to consult with appropriations subcommittees regarding any projected closing or consolidation of National Guard armories.

***Sec. 301. Armory Rental - DELETED***

Allows Department to charge a reasonable fee for rental of an armory.

***Sec. 303. Oak Park Armory - DELETED***

Provides for reappraisal of Oak Park Armory property; grants City of Oak Park the right to purchase property at appraisal value.

***Sec. 601. Veterans Homes - DELETED***

Prohibits use of veterans homes appropriations for any purpose other than veterans and veterans' families.

***Sec. 602. Veterans Homes Annual Report - DELETED***

Requires annual report containing specified information regarding the two veterans homes.

***Sec. 704. County Veterans Counselors - DELETED***

Directs Veterans Affairs Directorate to assist county veterans counselors in obtaining training.

# Summary: Executive Budget Recommendation

## STATE POLICE

### FY 2003-04 Senate Bill 277

**Analyst: Kyle I. Jen**

#### FY 2003-04 Appropriation Recommendations

	FY 2002-03 YTD	FY 2003-04	Difference: Exec to FY 2002-03 YTD	
	(as of 3/6/03)	Executive	Amount	%
IDG/IDT	\$19,282,800	\$17,882,800	(\$1,400,000)	(7.3)
Federal	45,570,500	55,292,300	9,721,800	21.3
Local	3,913,700	4,506,600	592,900	15.1
Private	0	0	0	0.0
Restricted	59,816,900	103,363,400	43,546,500	72.8
GF/GP	277,389,448	231,241,500	(46,147,948)	(16.6)
<b>Gross</b>	<b>\$405,973,348</b>	<b>\$412,286,600</b>	<b>\$6,313,252</b>	<b>1.6</b>
FTEs	3,448.5	3,337.5	(111.0)	(3.2)

#### Overview

The Department of State Police provides a wide range of law enforcement services—including highway patrol, criminal investigations, forensic sciences, motor carrier enforcement, emergency management, highway safety planning, fire investigation and education, criminal justice data processing, and various specialized law enforcement services. The Department's responsibilities also include oversight of law enforcement standards in the state through the Michigan Commission on Law Enforcement Standards, and administration of several law enforcement-related grant programs. In FY 2002-03, Uniform Services—which constitutes the Department's road patrol presence—accounts for roughly 40 percent of the Department's gross budget and 54 percent of its GF/GP budget.

#### Summary of Major Budget Issues

##### ***At-Post Troopers***

The Executive Recommendation includes \$36.4 million in new restricted revenue from a proposed increase in driver's license fees (\$23.7 million) and a proposed diversion of fee revenue from the Transportation Economic Development Fund (\$12.7 million). These funds would offset a \$31.4 million GF/GP reduction to the At-Post Troopers line item, leaving a net \$5.0 million increase for the costs of conducting a 100-recruit trooper school beginning in April 2004. Additional adjustments to the At-Post Troopers line item include a \$2.9 million GF/GP reduction to reflect 50 unfilled trooper positions.

##### ***Fire Marshal and Fire Fighters Training Council***

The Executive Recommendation reflects \$6.3 million in new restricted revenue from a proposed assessment on home owners, farm owners, and commercial property insurance. These funds would replace \$6.3 million in GF/GP appropriations for the Fire Marshal, Fire Fighters Training Council, and related costs.

##### ***Annualized Savings***

The Executive Recommendation reduces the budget by \$2.3 million GF/GP to reflect annualized savings from vacant position adjustments and other reductions made in the FY 2002-03 budget as part of EO 2003-3.

##### ***First Responder Grant Funding***

The Executive Recommendation includes a \$6.4 million increase in federal authorization to allow for the expenditure of first responder equipment and training grant funds.

**DNA Grant Funding**

The Executive Recommendation includes a \$3.0 million increase in federal authorization to allow for the expenditure of potential federal DNA grant funding.

<b>Major Budget Changes from FY 2002-03 YTD Appropriations:</b>		<b>YTD FY 2002-03</b>	<b>Executive Change</b>
<b>1. At-Post Troopers - Driver's License Fee Revenue</b>	<b>Gross</b>	<b>\$110,120,500</b>	<b>\$5,000,000</b>
Includes new restricted revenue from a proposed increase in driver's license fees (\$23.7 million) and a proposed diversion of fee revenue from the Transportation Economic Development Fund (\$12.7 million). These funds would offset a GF/GP reduction to the At-Post Troopers line item, leaving a net \$5.0 million increase for the costs of conducting a 100-recruit trooper school beginning in April 2004. Additional changes to the At-Post Troopers line item (not reflected at right) include items 2, 4, and 14.	Restricted	8,423,200	36,400,000
	GF/GP	\$101,697,300	(\$31,400,000)
<b>2. At-Post Troopers - Unfilled Positions</b>	<b>Gross</b>	<b>\$110,120,500</b>	<b>(\$2,872,000)</b>
Reduces the At-Post Troopers line item to reflect 50 unfilled trooper positions. See item 1 for other changes to this line item.	Restricted	8,423,200	0
	GF/GP	\$101,697,300	(\$2,872,000)
<b>3. Fire Marshal and Fire Fighters Training Council - Insurance Assessment</b>	<b>Gross</b>	<b>N/A</b>	<b>\$0</b>
Includes new restricted revenue from a proposed assessment on home owners, farm owners, and commercial property insurance. These funds would completely replace GF/GP appropriations for the Fire Marshal (\$3.8 million), the Fire Fighters Training Council (\$1.3 million), and Fire Investigation Training to Locals (\$50,500) and partially replace GF/GP appropriations in six other line items, correlating to various costs related to the Fire Marshal and training council (total of \$1.1 million).	Restricted	N/A	6,284,700
	GF/GP	N/A	(\$6,284,700)
<b>4. Vacancy Savings</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$2,317,600)</b>
Reflects annualized savings from vacant position adjustments and other reductions made in the FY 2002-03 budget as part of EO 2003-3.	GF/GP	N/A	(\$2,317,600)
<b>5. Early Retirement Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$1,116,500)</b>
Reflects two types of adjustments related to 2002 early retirement package: (1) removal of funds for one-time leave payouts and (2) annualization of savings for October 2002 retirees.	GF/GP	N/A	(\$1,116,500)
<b>6. Information Technology Reduction</b>	<b>Gross</b>	<b>\$20,885,748</b>	<b>(\$2,127,148)</b>
Applies reduction to funds appropriated as IDG to Department of Information Technology. Additional changes to this line item (not reflected at right) include items 5 and 11.	IDG	105,300	0
	Federal	29,600	0
	Local	2,068,600	0
	Restricted	14,200	0
	GF/GP	\$18,668,048	(\$2,127,148)
<b>7. Economic Adjustments</b>	<b>Gross</b>	<b>N/A</b>	<b>(\$30,000)</b>
Includes economic adjustments for worker's compensation (positive \$310,000) and building occupancy charges (negative \$340,000).	GF/GP	N/A	(\$30,000)
<b>8. First Responder Grant Funding</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>\$6,400,000</b>
Increases federal authorization to allow for the expenditure of first responder equipment and training grant funds.	Federal	5,000,000	6,400,000
<b>9. Federal DNA Funding</b>	<b>Gross</b>	<b>\$383,200</b>	<b>\$3,000,000</b>
Increases federal authorization to allow for the expenditure of potential DNA grant funding.	Federal	383,200	3,000,000
<b>10. Secondary Road Patrol Grants</b>	<b>Gross</b>	<b>\$12,506,600</b>	<b>\$1,500,000</b>
Increases authorization for restricted funding from \$10 traffic citation assessment for grant program.	Restricted	12,506,600	1,500,000

<b>Major Budget Changes from FY 2002-03 YTD Appropriations:</b>		<b>YTD FY 2002-03</b>	<b>Executive Change</b>
<b>11. LEIN Fees</b>	<b>Gross</b>	<b>\$2,035,600</b>	<b>\$592,900</b>
Reflects higher collection levels for Law Enforcement Information Network (LEIN) user fees.	Local	2,035,600	592,900
<b>12. Reimbursed Services</b>	<b>Gross</b>	<b>\$2,117,700</b>	<b>\$585,000</b>
Reflects additional revenue from federal and local agencies for reimbursed services.	Federal	519,700	200,000
	Restricted	1,598,000	385,000
<b>13. Forensic Laboratory Fund</b>	<b>Gross</b>	<b>\$1,100,000</b>	<b>\$400,000</b>
Increases authorization for restricted funding from \$150 assessment applied in certain criminal court cases.	Restricted	1,100,000	400,000
<b>14. Highway Safety Fund</b>	<b>Gross</b>	<b>\$8,423,200</b>	<b>(\$1,423,200)</b>
Decreases authorization for restricted funding from \$5 traffic citation assessment for trooper costs; carry forward revenue was expended in FY 2001-02 under the higher authorization amount.	Restricted	8,423,200	(1,423,200)
<b>15. IDG from State Trunkline Fund</b>	<b>Gross</b>	<b>\$7,916,400</b>	<b>(\$1,400,000)</b>
Removes unexpended authorization increase in IDG from State Trunkline Fund for Motor Carrier Enforcement.	IDG	7,916,400	(1,400,000)

**Major Boilerplate Changes from FY 2002-03:****Sec. 207. Privatization Plan - DELETED**

Requires submission of project plan to Legislature 60 days before beginning any effort to privatize.

**Sec. 209. American Goods and Services - DELETED**

Prohibits purchase of foreign goods and services if comparably priced American goods and services are available.

**Sec. 210. Deprived and Depressed Communities - DELETED**

Requires that reasonable steps be taken to ensure businesses in deprived and depressed communities compete for and perform state contracts.

**Sec. 210. Appropriation of Unexpended General Funds - NEW**

In order to encourage administrative efficiencies, appropriates up to one-half of the unexpended, unreserved portions of FY 2002-03 general fund appropriations, subject to the approval of the budget director.

**Sec. 211. Reimbursement of Personnel - DELETED**

States legislative intent that expenses related to departmental operations be reimbursed within 30 days of request by departmental personnel.

**Sec. 216. Contractual Services - DELETED**

States legislative intent that Department not subsidize any contractual services it provides.

**Sec. 218. Retention of Reports - DELETED**

Requires Department to create and retain reports for funds appropriated.

**Sec. 219. Casino Gaming Oversight - DELETED**

Requires reports on Department's Casino Gaming Oversight activities.

**Sec. 220. Vehicle Identification Numbers (VINs) - DELETED**

Requires Department to collect and computerize VINs of vehicles involved in accidents for distribution to public at cost.

**Sec. 221. School Violence Hotline - DELETED**

Requires Department to maintain 24-hour, toll-free hotline, in collaboration with Department of Education, for students and others to report threats of imminent school violence; allows Department to expend funds for promotion of hotline.

**Sec. 222. At-Post Trooper Strength - DELETED**

Restricts expenditure of funds appropriated for At-Post Troopers to specified trooper-related expenses; calls for one or more trooper schools to be conducted during FY 2002-03 with goal of graduating 110 troopers; requires report on Department's plan to accomplish stated goal, including a statement of additional funds necessary if insufficient funding exists.



**Sec. 224. Post Closures - DELETED**

Requires Department to notify subcommittees not less than 180 days before recommending any closure or consolidation of State Police posts.

**Sec. 263. Highland Park - DELETED**

Calls for Department to provide general law enforcement assistance to City of Highland Park until such services can be provided by other means.

**Sec. 264. Marshall Post - DELETED**

Provides for funds to be used for the necessary rental costs of a State Police post in Marshall.

**Sec. 301. Michigan Public Safety Communications System (MPSCS) - DELETED**

Requires expenditure plan for MPSCS, provides for collection and deposit of subscriber fees into General Fund, and requires reports on fee revenue. (Similar language included in Executive Budget bill for Department of Information Technology, which is now responsible for maintenance of the system.)

**Sec. 305. LEIN Policies - DELETED**

Requires report on departmental policies regarding access to and use of information from Law Enforcement Information Network (LEIN).

**Sec. 306. LEIN Misuses - DELETED**

Directs that suspected incidents of improper access to or use of information from LEIN be investigated; requires report if such an incident is determined to be an illegal act.

**Sec. 307. Probation Information - DELETED**

Requires probation information be placed on LEIN; requires submission of any statutory amendments necessary to accomplish that goal.

**Sec. 702. DNA Protocol - DELETED**

Requires Department to distribute its protocol for retaining and purging DNA samples and records to each police agency in state; requires report to Legislature whenever changes are made to protocol.

**Sec. 703. Evidence Collection - DELETED**

Directs Department to work with specified health organizations to ensure that recommendations regarding evidence collection in sexual assault cases are followed.

**Sec. 803. Firearms Laws - DELETED**

Directs that funds be used from training-related appropriations for the purpose of training State Police troopers and other law enforcement officers on federal firearms laws.

**Sec. 901. Fire Marshal Reorganization - DELETED**

Requires report to Legislature, with input from specified fire-related organizations, on quality and adequacy of services provided by Fire Marshal Division under the 1997 reorganization of that division.

**Sec. 1203. Recovery Boat - DELETED**

Requires Department to station at least one recovery boat in the Upper Peninsula.

**Sec. 1301. Areas Near Prisons - DELETED**

States that sufficient money is appropriated to ensure that citizens in the vicinity of a prison not experience a downgrading of State Police criminal investigation services.

**Sec. 1401. School Bus Inspections - DELETED**

Requires report on annual inspections of school buses and other vehicles pursuant to state statute; directs Department to provide certificate to a school system with buses all receiving a 100% successful inspection upon the first inspection of the year.

**Sec. 1402. Motor Carrier Enforcement Funds - DELETED**

States legislative intent that funds appropriated for motor carrier enforcement division be used to the maximum extent possible for enforcement of motor carrier laws and regulations; requires report on allocation plan for funds appropriated, including funds appropriated above Executive Recommendation.

**Sec. 1651. Homeland Security Funds (Adopted in Public Act 746 of 2002) - DELETED**

States legislative intent that up to 10% of federal funds received by the state for homeland security equipment grants be allocated for construction of an upgraded Detroit crime lab.

